

UNITED STATES-IRAQ
BUSINESS FORUM

1050 CONNECTICUT AVENUE, N.W.
SUITE 300
WASHINGTON, D.C. 20036-5303
(202) 429-6537

March 10, 1987

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Telecopier: (202) 429-0977
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The Honorable S. Bruce Smart, Jr.
Under Secretary for International Trade
Department of Commerce
Washington, D.C. 20230

Dear Secretary Smart:

The U.S.-Iraq Business Forum is a two-year-old private organization of American firms, including some of our nation's largest corporations, that are actively interested in business opportunities in Iraq. (A list of our membership is enclosed.) While pursuing business interests, the Forum and its members are also mindful of the possibility of contributing to the further development of normal relations between the United States and Iraq, a process under way since the re-establishment of diplomatic relations in November 1984. Recent revelations about secret arms shipments by the U.S. Government to Iran clearly have strained this evolving -- and, we believe, valuable -- relationship. Nonetheless, Iraq remains positive toward the expansion of trade with U.S. firms, and we further believe that such trade can now contribute more than ever to sustaining official relations, particularly since all importation is done by agencies of the government of Iraq.

While anxious to proceed with current export opportunities and appreciative of Foreign Commercial Service assistance in Baghdad, the difficulties encountered in obtaining export licenses from your Department have left Forum members uncertain about the implementation of regulations affecting exports to Iraq and about the official attitude toward such exports as an aspect of general U.S. policy toward that country. We are encouraged by and applaud Secretary Baldrige's recent efforts to clarify and rationalize export control criteria and procedures. In light of this improved regulatory environment, the

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Box - 15436

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membership of the U.S.-Iraq Business Forum would appreciate your authoritative description of such prohibitions and constraints as may be applicable to exports to Iraq, especially as these may affect certain categories of goods or specific items.

It is our impression that, in some instances, Iraq has been regarded, and licensing decisions made, as though it were a Communist-controlled country. This is clearly a mistake given the historic antipathy of the ruling Baath party toward Iraqi Communists. The Communist Party is constrained from engaging in Iraqi political life, despite the separate matter of good bilateral relations between Iraq and the Soviet Union. We hope, therefore, that any such lack of understanding of contemporary Iraq, growing out of the seventeen-year rupture of normal relationships between the two countries, will not be reflected in decisions affecting legitimate American business interests. Are there any special criteria being applied to the review of license applications for Iraq?

It is our concern that if exports to Iraq are constrained by export licensing practices, the opportunities opened to American business by the restoration of political relations will be lost to European and Japanese competitors. To assist you and your staff in responding to our questions and serious concerns, the following is an illustrative list of product categories in which our members have an interest and for which we are confident that there is a market in Iraq for American goods:

- spectrum analyzers;
- image processing systems;
- seismic exploration systems;
- aircraft and parts;

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- telemetering systems;
- spectrophotometers;
- personal and mini-computers;
- advanced medical equipment;
- automated manufacturing equipment for industrial applications; and
- telecommunications equipment.

Your reply will be very important in guiding the export efforts of our membership toward enlarging U.S. exporters' share of the Iraqi market. We, therefore, look forward to an early response but, more importantly, one which describes parameters within which current opportunities can be realized. You may be assured that your views will be disseminated promptly to our membership at a senior level. If we can provide further information to you or your staff, we would be happy to do so.

Sincerely,

A handwritten signature in dark ink, appearing to read "A. Robert Abboud". The signature is fluid and cursive, with the first name "A." and last name "Abboud" clearly distinguishable.

A. Robert Abboud
Chairman of the Board

cc: Assistant Secretary of State Richard W. Murphy

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BUSINESS FORUM

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MEMBERSHIP AS OF JANUARY 21, 1987

A. ROBERT ABBODD AND COMPANY
AME INTERNATIONAL
AMERICAN CYANAMID/LEDERLE INTERNATIONAL DIVISION
AMOCO CORPORATION
THE ARCHITECTS COLLABORATIVE
BECHTEL GROUP, INC.
BELL HELICOPTER-TEXTRON
BROWN & ROOT, INC.
CALTEX PETROLEUM CORPORATION
CATERPILLAR TRACTOR COMPANY
CHRYSLER CORPORATION
COOPER ROLLS INDUSTRIES
DBA SYSTEMS, INC (LOG ETRONICS)
DEVELOPMENT TECHNOLOGY INTERNATIONAL
FAIRBANKS MANAGEMENT CORPORATION
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FMC CORPORATION
GENERAL ELECTRIC
IONICS, INC.,
M. W. KELLOGG COMPANY
LOCKHEED CORPORATION
THE MARINE CORPORATION
MOBIL OIL CORPORATION
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NCR CORPORATION
NIEDERMEYER-MARTIN CO.
NORWICH EATON PHARMACEUTICALS, INC.
OCCIDENTAL PETROLEUM CORPORATION
PEPSICO
PHILIP MORRIS INTERNATIONAL
RIEDEL INTERNATIONAL, INC.
SIDLEY & AUSTIN LAW OFFICE
TENNECO, INC.
TEXACO, INC.
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WESTINGHOUSE ELECTRIC CORPORATION
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